

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING OF SEPTEMBER 25, 2018
FROM:	ROSANNA WILCOX DIRECTOR, COMMUNITY & ECONOMIC INNOVATION
SUBJECT:	CITY OF LONDON 2019 PROVINCIAL AND FEDERAL BUDGET SUBMISSIONS

RECOMMENDATION

That, on the recommendation of the Director, Community & Economic Innovation, the following actions be taken with respect to the City of London's 2018 Budget Submissions:

- a) That Civic Administration **BE DIRECTED** to submit the City of London 2019 Provincial Budget Submission to the Government of Ontario as part of the provincial pre-budget submission process;
- b) That Civic Administration **BE DIRECTED** to submit the City of London 2019 Federal Budget Submission to the Government of Canada as part of the federal pre-budget submission process; and,
- c) That this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Corporate Services Committee – October 11, 2017 – City of London 2018 Provincial and Federal Budget Submissions

BACKGROUND

Council's Strategic Plan for the City of London, 2015-2019, identifies four strategic areas of focus: Strengthening Our Community; Building a Sustainable City; Growing Our Economy; and, Leading in Public Service. These strategic areas of focus are further defined by strategies that outline how Council and Administration will respond to the needs and aspirations of Londoners.

The City of London has worked diligently to advance a number of high-priority initiatives which require partnerships with the federal and provincial governments, including: Rapid Transit; Community Infrastructure; Social and Affordable Housing; and Homeless Prevention. The result has been a number of substantial commitments to addressing London's needs. The next step is to ensure these commitments can begin implementation as soon as possible.

The submissions, attached as Appendices A and B, were developed in consultation with all Service Areas. Special attention has been given to ensure consistency between the federal and provincial documents, while illustrating the importance each level of government plays as a partner in supporting and advancing London's priorities.

Rapid Transit

Efforts to forge close working relationships, combined with focused advocacy efforts and the development of a plan to meet the transit needs of Londoners have resulted in funding commitments from both the federal and provincial governments for public transit in London. The provincial government, prior to the election, committed to \$170 million in funding for Bus Rapid Transit. The federal government announced London's allocation of \$204.9 million through the Public Transit Infrastructure Stream of the Investing in Canada Plan, which is funding designated specifically for public transit projects.

Combined with the City's \$130 million, these envelopes represent sufficient identified investment for London's Bus Rapid Transit. In order to move forward, the project must be advanced through the Public Transit Infrastructure Stream application process.

The federal and provincial budget submissions encourage both levels of government to move London's Bus Rapid Transit business case through the review process, to ensure important work such as detailed design can begin in the 2019 construction season.

Community Infrastructure

The City of London has consistently advocated for shared investments into the infrastructure Londoners rely on each and every day as a critical part of promoting economic development, social inclusion, and city building. Last year, the federal and provincial governments signed integrated bilateral agreements establishing the largest infrastructure funding program in Canada's history. Although funding has been allocated to the various funding streams, including the Public Transit Infrastructure Stream, Green Infrastructure Stream, Community, Culture and Recreation Stream, and the Rural Communities Stream, governments have yet to move forward with the application phase.

The federal and provincial budget submissions encourage both levels of government to move forward with the application phase of these important infrastructure programs, enabling construction to begin in the 2019 construction season.

Social and Affordable Housing

Social and Affordable Housing has been an area of persistent advocacy for the City, both independently and through municipal associations like the Federation of Canadian Municipalities (FCM) and the Association of Municipalities of Ontario (AMO). These efforts were rewarded last year when the federal government released the high-level parameters for Canada's National Housing Strategy. Since that time, details have continued to be rolled out, but the opportunities for the City to access funding to address the growing infrastructure deficit have been limited.

Provincially, the new government has made changes to anticipated funding, including the cancellation of programs like the Social Housing Apartment Improvement Program (SHAIP) and the GreenON Social Housing Program, which together were to provide a significant investment of \$9 million for social and affordable housing repairs.

The federal and provincial budget submissions set a baseline for the level of funding the City requires to start addressing the capital requirements in our social and affordable housing systems. Both submissions lay out a 10 year, \$20 million investment in addition to existing investments.

Homeless Prevention

London has shown real leadership in working towards ending chronic homelessness. As one of the first communities to adopt the most recent version of the federal government's Homeless Individuals and Families Information System (HIFIS 4.0), London now operates one the country's only true data sharing environments aimed at meeting the unique needs of Londoners experiencing homelessness.

Challenges remain formidable; the increase in incidence and severity of aggravating factors like mental health and drug addictions, the surge in refugee claimants including families from the United States, as well as an extremely competitive housing market all threaten the City's ability to continue to make progress.

Ensuring the federal and provincial governments deliver on their commitments to assisting with homeless prevention initiatives is critical. London secured a commitment from the previous provincial government to increase funding provided through the Community Homelessness Prevention Initiative (CHPI). Federally, the government has completed the review of the Homeless Partnering Strategy (HPS) and announced the new strategy, *Reaching Home*.

The budget submissions to both the federal and provincial governments push for continued recognition of the challenges and opportunities facing London in the homeless prevention space.

CONCLUSION

The City of London's 2019 Provincial and Federal Budget Submissions present London's key advocacy priorities to the Governments of Canada and Ontario, and highlight the urban challenges and opportunities associated with transportation, homeless prevention, social and affordable housing and infrastructure in our city.

PREPARED BY:	SUBMITTED BY:
NICK STEINBURG SPECIALIST, GOVERNMENT AND EXTERNAL RELATIONS	ADAM THOMPSON MANAGER, GOVERNMENT AND EXTERNAL RELATIONS
RECOMMENDED BY:	
ROSANNA WILCOX DIRECTOR, COMMUNITY & ECONOMIC INNOVATION	

cc. Martin Hayward, City Manager
Senior Management Team
Operations Management Team

PROGRESS AND OPPORTUNITY

Delivering Local Solutions to Keep Our Region Running



Pre-Budget Submission to the
Government of Canada



PROGRESS

London is the urban hub of Southwest Ontario, and a major centre for education, employment, healthcare, social services and culture in our region. We are an entrepreneurial city; 80% of London's labour market is employed by small businesses. We are a city of innovative partnerships, building strong local partnerships to address community challenges across the board in affordable housing, homelessness, active transportation, city-building and beyond.

London's work is guided by the four priorities laid out in our Strategic Plan:

- Strengthening Our Community;
- Building a Sustainable City;
- Growing Our Economy; and
- Leading in Public Service.

These priorities support London's strategic vision as "A leader in commerce, culture, and innovation — our region's connection to the world."



AND OPPORTUNITY

The City of London continues to look to our partners at all levels of government to work together to secure the future of our city and our region, with opportunity and prosperity for all. We have identified four key initiatives which require immediate action from all levels of government to address:

- Connecting our neighbourhoods with Bus Rapid Transit;
- Advancing investments in community infrastructure;
- Ensuring safe, affordable housing for all; and
- Ending chronic homelessness.

All four of these initiatives are critical to ensuring a healthy and prosperous community, and securing opportunity for generations of Londoners to come.



BUS RAPID TRANSIT

More people have weighed in on rapid transit than on any other project in our city's history.

Consultation with Londoners on rapid transit has been ongoing for nearly a decade, through some of the city's largest-ever public engagement exercises, including SmartMoves 2030, the London Plan and the Rapid Transit Master Plan.

Our Bus Rapid Transit is far more than just a transit plan. It's an economic plan. Once BRT is running, it will bring customers to businesses, more frequently and reliably. More shopping. More dining. More tickets sold. More money in tills.

Bus Rapid Transit is a jobs plan. Local employers tell us that better transit is essential to attracting and retaining the workforce London companies need. Forty percent of London's jobs will be within walking distance of the main rapid transit corridors, and the expanded bus service that BRT unlocks across the city will better connect Londoners to jobs across the entire transit network. Construction alone will provide more than 4,000 person-years of jobs, and \$270 million in wages for Londoners.

Our Bus Rapid Transit plan is the right plan at the right time. Investing in BRT will strengthen an already highly in-demand transit system. London maintains Ontario's 4th largest municipal transit system by ridership, with over 22.6 million rides per year. London's BRT has one of the lowest costs per kilometre and best returns on investment of any rapid transit project in the province – with a cost/benefit ratio of 1.18.

BRT will improve commuting for everyone. With enhanced road design and smart traffic signals funded by the project, transit riders, cyclists and drivers will all have a better commute. The City of London is also moving forward with projects across the transportation network to improve transit times and reduce congestion, like the recently council-approved Adelaide Street underpass project.

Now is the time for action. Municipal and provincial dollars have been committed, and the Government of Canada has allocated \$204.9 million for public transit projects in London. To get dollars working in the 2019 construction season, we encourage the federal government to expedite the application process for projects under the Public Transit Infrastructure Stream.

We encourage the Government of Canada to work with the province to advance London's Bus Rapid Transit project through the application process as quickly as possible.



INFRASTRUCTURE

The Canada-Ontario Integrated Bilateral Agreements signed under the *Investing in Canada Plan* have provided municipalities like London with an unprecedented opportunity to invest in community infrastructure.

Smart investments in public infrastructure drive economic growth, improve social inclusion, and enhance quality of life. For each dollar invested into municipal infrastructure, \$1.40 is returned in growth to the local, regional and national economy. Across Canada, local governments own more than 60% of all public infrastructure, and families and businesses experience the community impacts and benefits each and every day.

The City of London is committed to ensuring the people of London receive the maximum benefit of every infrastructure dollar spent in our community, which is why we've identified projects that address the issues that concern Londoners the most. From protecting our river, to preventing basement flooding, to reducing traffic congestion and improving our active transportation network, with Ontario's support, London is well prepared to continue building a better city for all.

London's projects include:

- The installation of an Organic Rankine Cycle generator at our largest pollution control plant, which will generate clean electricity from waste heat resulting in significant energy cost savings;
- The Adelaide Street grade crossing, addressing an at-grade rail crossing that blocks one of London's busiest streets for nearly two hours each day;
- London's sewer separation program, helping to protect Londoners from basement flooding and reducing the amount of sewage and phosphorous entering the Thames River.

There is significant time pressure to moving forward with these projects. Given current timelines, urgent action is needed by the provincial and federal governments if cities are to have a chance at beginning work in the 2019 construction season.

The City of London encourages the federal government to expedite the application phase for the next round of the Green Infrastructure Stream under the *Investing in Canada Plan*.





SOCIAL AND AFFORDABLE HOUSING

Providing safe, affordable housing is a national challenge. Although public discussions often focus on Canada's largest urban regions, the reality is that communities of all sizes are facing affordability pressures rivaling or exceeding those major cities.

A recent study showed that, of the 26 primary housing markets tracked by the Canadian Real Estate Association, London ranked as the most competitive housing market, well ahead of Toronto, Vancouver, and Montreal. Local housing prices have continued to rise, even as the GTA market cools; detached home prices in London are up 36% in the past two years alone. Vacancy rates, however, are at all-time lows, with one bedroom units averaging at or below 1% availability city-wide.

Housing affordability is an issue at all income brackets, but it is the vulnerable members of our community who are hit the hardest. In London, over 4,000 households are currently on the waitlist for social and affordable housing, and countless more are living in housing that is not safe, suitable, or secure.

As the city at the centre of the Southwestern Ontario region, London must provide supports well beyond just those required by the residents living within the city limits. Demand for social and affordable housing has never been higher, and London's existing housing is in jeopardy.

The majority of the city's housing stock was built around the same time in the 1950's and 1960's, and many building systems are coming to the end of their lifecycle. Although buildings are in fair condition today, in four years' time there is a forecast \$225M deficit for maintenance, repairs, and replacement of City-owned affordable and social housing properties alone.

The \$41 billion *National Housing Strategy* is a breakthrough for cities and communities and represents a once-in-a-generation opportunity to reinvest into the future of housing options for all Canadians. Getting the program design right will be critical to ensuring cities like London can maintain and build upon the social and affordable housing to meet the growing needs in our community.

The launch of the Canada Housing Benefit in 2020 can be an important piece of Canada's housing puzzle, but only if existing funding continues along with additional investments into our current and future stock of housing.

To begin addressing the affordable housing maintenance deficit, the City of London is seeking a 10 year, \$20 million investment on top of existing federal funding.





HOMELESS PREVENTION

London is a community that invests in solving homelessness, working with community partners across all sectors to identify, implement, and evaluate innovative solutions. The City of London supports the commitments made in *Reaching Home*, and we are dedicated to achieving the National Housing Strategy target of a 50% reduction in chronic homelessness.

London is one of the first communities in Canada to implement a true data sharing environment aimed at meeting the unique needs of Londoners experiencing homelessness, using the Homeless Individual and Family Information System (HIFIS) 4.0.

Over twelve homeless-serving programs, alongside the City of London, now operate a shared homeless management information system intended to solve homelessness through an integrated response. Sharing data improves client outcomes, while saving on administrative costs.

Despite London's success, our homeless prevention model continues to face an increasing diversity of challenges over time. This includes the increase in unpredictable, disruptive, violent behaviors related to the increase of non-prescription drugs such as crystal methamphetamine and fentanyl, as well as mental illness, addiction and trauma. In addition, the surge in refugee claimants including families from the United States, along with the rapid decrease in available market rentals and the corresponding rent increases present ongoing barriers for our local efforts.

To achieve significant reductions in chronic homelessness, we have formed strong relationships with local agencies assisting specific at-risk populations, including street-level sex workers, youth, and Indigenous communities.

Through our enumeration efforts, we know that 29% of London's homeless population identify as Indigenous. Working with local Indigenous community organizations, the City of London is a partner on *Giwetashkad* (the Circle) - an Indigenous led community plan focussed on solving Indigenous homelessness through a Culture First/Housing First model.

London's position as a regional hub, with three neighbouring Indigenous communities, means that we are well positioned to work in partnership to develop meaningful solutions. Ensuring our city can continue to make progress, special consideration should be given to London's challenges and opportunities as a regional hub.

The City of London requests recognition as a designated Indigenous community under the Reaching Home strategy.





CONTACT

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Pre-Budget Submission to the
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With provincial and municipal dollars committed, now is the time for action. To get dollars working in the 2019 construction season, the business case must be forwarded for federal review.

We encourage the Province of Ontario to advance the Bus Rapid Transit business case for federal review as soon as possible, enabling construction to begin in 2019.





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There is significant time pressure to moving forward with these projects. Given current timelines, urgent action is needed by the provincial and federal governments if cities are to have a chance at beginning work in the 2019 construction season.

The City of London encourages the provincial government to immediately initiate the application phase for the next round of the Green Infrastructure Stream under the *Investing in Canada Plan* and to advance these projects in time to meet the 2019 construction season.





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Housing affordability is an issue at all income brackets, but it is the vulnerable members of our community who are hit the hardest. In London, over 4,000 households are currently on the waitlist for social and affordable housing, and countless more are living in housing that is not safe, suitable, or secure. Demand for social and affordable housing has never been higher, and London's existing housing is in jeopardy.

The majority of the city's housing stock was built around the same time in the 1950's and 1960's, and many building systems are coming to the end of their lifecycle. Although buildings are in fair condition today, in four years' time there is a forecast \$225M deficit for maintenance, repairs, and replacement of City-owned affordable and social housing properties alone.

Compounding the issue is the loss of funding that had been had been planned for and anticipated by the Housing Providers', including through cancelled programs like the Social Housing Apartment Improvement Program (SHAIP) and the GreenON Social Housing Program. Those two programs were to provide \$9 million for social and affordable housing repairs.

As the Government of Ontario continues to explore opportunities to streamline program administration and reporting requirements on municipalities, the City of London is calling on the provincial government to maintain and expand critical investments into the repair and new construction of social and affordable housing for Ontarians. Mid-sized cities like London need predictable, flexible funding that allows for long-term planning and meaningful progress on capital renewal.

To begin addressing the affordable housing maintenance deficit, the City of London is seeking a 10 year, \$20 million investment on top of existing provincial funding.





HOMELESS PREVENTION

The City of London has demonstrated leadership at a provincial and national level on homeless prevention. London's approach has included reducing the number of emergency shelter beds and increasing the number of programs aimed at moving individuals and families from chronic homelessness to housing stability and community belonging. These efforts take time and resources, and focus on outcomes through a newly introduced shared information management system.

London is one of the first communities in Canada to implement a true data sharing environment aimed at meeting the unique needs of Londoners experiencing homelessness, using the Homeless Individual and Family Information System (HIFIS), a product made available through the Government of Canada.

Over twelve homeless-serving programs, alongside the City of London, now operate a shared homeless management information system intended to solve homelessness through an integrated response. Sharing data improves client outcomes, while saving on administrative costs.

Despite London's success, our homeless prevention model continues to face an increasing diversity of challenges over time. This includes the increase in unpredictable, disruptive, violent behaviors related to the increase of non-prescription drugs such as crystal methamphetamine and fentanyl, as well as mental illness, addiction and trauma. In addition, the surge in refugee claimants including families from the United States, along with the rapid decrease in available market rentals and the corresponding rent increases present ongoing barriers for our local efforts.

The provincial government is a key partner in the success of London's homeless prevention strategy. The Community Homelessness Prevention Initiative (CHPI) has played a significant role in advancing local efforts, and recent funding increases mean even more is possible. London is prepared to take our 2019/20 allocation of almost \$11.3 million and put every dollar to work in our community.

The flexibility and predictability of CHPI funding has enabled London to take innovative approaches targeted at the unique challenges in our community, and we are seeing the positive results.

The City of London urges the provincial government to continue planned allocation increases to the Community Homelessness Prevention Initiative (CHPI).



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